

1 other Indian gaming jurisdictions, and I would  
2 appreciate either from you or from Commissioner  
3 Loescher specific suggestions in that regard.

4 MR. HILL: We will be as helpful as we can  
5 in providing the Commission with information as to  
6 areas we think that would lend to the specific study  
7 areas that you are looking at, and I am thankful that  
8 you are in agreement with that to see the full range  
9 of the gaming facilities out in Indian country. Thank  
10 you.

11 CHAIRPERSON JAMES: I would like to remind  
12 the Commissioners that the workplan is, in fact, a  
13 draft. We hope that by the time we finish tomorrow,  
14 we will have the opportunity to incorporate your  
15 suggestions and ideas, first cut. And as a result of  
16 that, if you would give that information and  
17 suggestions and make sure that the Commission has it  
18 as we have those discussions tomorrow, I am sure we  
19 would be happy to entertain them.

20 COMMISSIONER LANNI: Madam Chair, I have  
21 a question of Mr. Hill. Mr. Hill, I think you  
22 indicated that there is a 50 percent unemployment

1 factor in Indian nations?

2 MR. HILL: 50 percent -- there is an  
3 average of about 50 percent.

4 COMMISSIONER LANNI: That is as of today  
5 roughly?

6 MR. HILL: Yes, sir.

7 COMMISSIONER LANNI: What would be the  
8 unemployment factor in the -- I think it is -- 190  
9 operations that exist within the federally recognized  
10 tribes? What would be the unemployment there, do you  
11 know?

12 MR. HILL: I think that -- I can use my  
13 tribe for an example. I think in those instances, you  
14 have to look at the size of the operation. I am from  
15 Oneida, Wisconsin, and we employ about 4,500 people,  
16 mainly non-Indian folks. But there is a job  
17 opportunity because of the revenue available to tribal  
18 governments, either in the services or other jobs or  
19 business purchases by the reservation. So there is an  
20 opportunity for every tribal member to work. In some  
21 of these other smaller, remote areas, the job creation  
22 is somewhat smaller. In the Dakotas, you might only

1 have maybe 100 employees. So the opportunity doesn't  
2 really -- it is not a windfall in terms of job  
3 creation in some of these remote areas where there  
4 isn't a population to support a gaming enterprise. So  
5 it is really on a case-by-case opportunity, and I  
6 think the demographics really lend to how many jobs  
7 are created.

8 COMMISSIONER LANNI: Would such  
9 statistical information be available to this  
10 Commission, through either your organization or  
11 another? Maybe the Federal Government?

12 MR. HILL: Let us research that for you  
13 and see if we can provide that information for the  
14 Commission.

15 COMMISSIONER LANNI: Thank you.

16 MR. HILL: If we can't, we will let you  
17 know as well.

18 COMMISSIONER LANNI: And I concur with Mr.  
19 Wilhelm's thoughts about a broader visitation to the  
20 Native American operations.

21 MR. HILL: Thank you, sir.

22 CHAIRPERSON JAMES: Any other questions or

1 comments?

2 COMMISSIONER MOORE: Madam Chairman?

3 CHAIRPERSON JAMES: Yes.

4 COMMISSIONER MOORE: I believe that  
5 Senator Bryan was probably talking about regulation --  
6 federal regulation -- sometimes all of us don't like  
7 federal regulation. But sometimes I find federal  
8 regulation a little lacking. I think he was talking  
9 about maybe competition. I am from Mississippi. We  
10 have the Choctaw Tribe in Mississippi. I grew up with  
11 the Choctaw Tribe as a kid. They have a fine gambling  
12 institution at a place called Philadelphia,  
13 Mississippi. It has been noted for other things. I  
14 wonder when we talk about regulation -- what I hear is  
15 that the state does not regulate it because it is sort  
16 of a federal regulation. Another thing that I hear  
17 that was brought out by Senator Bryan is that they  
18 start out about 16 percent ahead because of no state  
19 or federal tax that they pay in. But I would have to  
20 say that this is an excellent run operation as far as  
21 I know and a lot of benefits are afforded the Indian  
22 children. But I believe that that is the regulation

1 that we are talking about, aren't we? Being regulated  
2 by the same institutions that other gambling is  
3 regulated by?

4 MR. HILL: Well, I think there is -- the  
5 list I read off and in further negotiated compacts,  
6 there is a scheme of regulations negotiated in the  
7 contract. There are certain requirements of the  
8 Federal Government under the Indian Gaming Regulatory  
9 Act, and then there is tribal law that has travel  
10 ordinances that are approved by the National Indian  
11 Gaming Commission to approve the travel law before the  
12 gaming activity can proceed. So there are layers and  
13 layers and layers and it is unlike Nevada, where it is  
14 probably a little bit smaller and more unique to fit  
15 their specific situation. But as the federal law has  
16 it, we have to cooperate with the state and the tribal  
17 gaming ordinances have to be approved by the Federal  
18 Government. So it is quite unique and quite different  
19 in terms of governmental gaming -- the various things  
20 that the tribes have to adhere to.

21 One thing that is kind of not noted and I  
22 just want to underline it again is the tribal gaming

1 commissions themselves. Because Indian nations are  
2 governments and have tribal gaming commissions that  
3 have oversight over their one or two facilities that  
4 they operate as well.

5 CHAIRPERSON JAMES: Mr. Hill, thank you.  
6 This is indeed a subject that will require a great  
7 deal more thought and study, and we would appreciate  
8 your input as we go through the next two years as we  
9 gather that kind of information and make that kind of  
10 analysis. Yes?

11 COMMISSIONER LEONE: Madam Chair, we  
12 should hear from the Chair or representatives of the  
13 National Indian Gaming Commission.

14 CHAIRPERSON JAMES: Thank you. And we  
15 will make sure that they are included at the  
16 appropriate time.

17 MR. HILL: I would encourage that as well.  
18 Thank you, sir.

19 CHAIRPERSON JAMES: Yes. Thank you so  
20 much. I am going to call us in recess until -- let's  
21 go until 10:40. Commissioners, there is coffee, decaf  
22 and regular, and hot water on the table. We will come

1 back into session at that time.

2 (Whereupon, at 10:25 a.m. off the record  
3 until 10:41 a.m.)

4 CHAIRPERSON JAMES: Bob, I am not going to  
5 ignore your request to take up those matters after we  
6 had the presentations that we had. But Mr. Snowden,  
7 who is our representative from GSA, had a meeting this  
8 morning and is not expected to be back until 11:00.  
9 So I would like to delay those discussions until his  
10 return. What we will do in the meantime is go over  
11 some rather routine administrative matters. Maybe  
12 have the discussion of the research questions and then  
13 take up the remaining administrative matters upon his  
14 return.

15 With that, I just want to do a little bit  
16 of a briefing for you on some of the --

17 COMMISSIONER LOESCHER: Madam Chairman?

18 CHAIRPERSON JAMES: Excuse me?

19 COMMISSIONER LOESCHER: Madam Chairman, I  
20 have a little problem with --

21 CHAIRPERSON JAMES: The Chair recognizes  
22 Mr. Loescher and I would ask Commissioners not to

1 speak out of turn and only speak when recognized.

2 COMMISSIONER LOESCHER: Madam Chairman?

3 CHAIRPERSON JAMES: Yes.

4 COMMISSIONER LOESCHER: I would -- you  
5 know, I don't know what Mr. Snowden has to say about  
6 anything, but the Commission has a lot to say about  
7 what goes on here. I would like to ask that we  
8 consider the agenda first as a matter of course and  
9 then deal with the format of the meeting. I am having  
10 problems myself understanding how we are doing  
11 business here, and I would like to begin to formalize  
12 the process of doing business, if we could.

13 CHAIRPERSON JAMES: I appreciate that  
14 concern, but I would also suggest that I doubt any of  
15 us as Commissioners would want to undertake that task  
16 without the best advice that is available to us. Now  
17 if you are saying to me that you have no regard for  
18 GSA and our legal counsel and advice and would like to  
19 proceed without them, I am happy to entertain that  
20 suggestion. I, for one, will not participate.

21 COMMISSIONER LOESCHER: Madam Chairman?

22 CHAIRPERSON JAMES: I do recognize you,



1 Mr. Loescher.

2 COMMISSIONER LOESCHER: It is not, in my  
3 mind, any disrespect not to conduct business without  
4 the GSA attorney. But the Commission is empowered  
5 under statute to conduct the business of the meeting  
6 and something as simple as looking at the agenda and  
7 how we would proceed forward on the agenda I don't  
8 believe needs legal counsel advice. I would humbly  
9 suggest that we consider the agenda and how we are  
10 going to proceed for the next two days.

11 CHAIRPERSON JAMES: I would suggest to the  
12 Commission that while it may seem to be a very simple  
13 and routine matter, establishing how we conduct our  
14 business and who has the authority to set and to  
15 approve or not approve an agenda is a very important  
16 matter. If it is a routine request, I am certainly  
17 happy to entertain that. I am not going to entertain  
18 at this point any discussion about an approval of an  
19 agenda. If you have a request that you would like to  
20 make in terms of moving something around on the  
21 agenda, I am more than happy to accommodate that  
22 request at this time.

1                   COMMISSIONER LOESCHER: Madam Chairman,  
2   you leave us no alternative. We either can move to  
3   entertain the agenda or we can recess until 11:00 when  
4   Mr. Snowden returns. But I believe that the first  
5   order of business should be entertaining the format of  
6   the agenda.

7                   CHAIRPERSON JAMES: Well, that in and of  
8   itself is a question that I think deserves some  
9   discussion. Whether or not the Commission has the  
10   authority to set or approve the agenda and whether or  
11   not we are simply going to adopt the minutes from the  
12   last meeting, which was the matter that was before the  
13   Commission for discussion. If we want to get into the  
14   substantive legal question of whether or not the  
15   Commission must vote to approve the agenda, that is  
16   something that I would very much like to hear some  
17   discussion of and some advice from legal counsel on.  
18   Yes, Richard?

19                  COMMISSIONER LEONE: I am not even smart  
20   enough --

21                  CHAIRPERSON JAMES: To turn on the  
22   microphone.

1                   COMMISSIONER LEONE: That is my problem.  
2   This is a golden opportunity to do my country boy.  
3   But my question is not about how to make the  
4   microphone work. I am not sure I understand this  
5   change. I do understand the desirability of having a  
6   representative from GSA here when we discuss the  
7   administrative procedures we are going to follow. I  
8   am not sure -- does that mean we can't discuss -- that  
9   you have to move to the research questions?

10                  CHAIRPERSON JAMES: No, that is not -- no,  
11   that is not.

12                  COMMISSIONER LEONE: I just -- in the  
13   interest -- because I cannot see -- I may be missing  
14   something here. I certainly defer to Mr. Loescher if  
15   I am, but I can't see how in any way we are hamstrung  
16   or impaired or start down the wrong path if we don't  
17   just move and have the research discussion and hope  
18   that our government staff turns up and then we will  
19   have the agenda and other discussion. Unless, Bob,  
20   you object to having that research discussion at this  
21   time.

22                  COMMISSIONER LOESCHER: Madam Chairman?

1                   CHAIRPERSON JAMES: Mr. Loescher?

2                   COMMISSIONER LOESCHER: I will yield to  
3 the discussion on the research discussion. But after  
4 that point, I would like to request that we formalize  
5 our agenda and our procedures here so that we can  
6 conduct some business hopefully within the next two  
7 days.

8                   CHAIRPERSON JAMES: The agenda has been  
9 formalized. It is before you. And what I am  
10 suggesting at this point is before we have any further  
11 discussion about the agenda that we accommodate the  
12 General Services staff by waiting for them to return  
13 and that we move to the next item, which is the  
14 research question, which I believe to be a very  
15 important one. With that in mind, I am going to  
16 recognize the chairman of our research committee, and  
17 again thank them for the work that they have done.

18                   If, Leo, you could begin with a little bit  
19 of background on what you did, the process you used,  
20 and what you have accomplished thus far.

21                   COMMISSIONER MCCARTHY: May I ask that a  
22 staff member pass these out to the members of the

1 Commission? Thank you.

2           It is just a very brief report that I am  
3 making on behalf of the three-member subcommittee --  
4 Dr. Dobson, Mr. Wilhelm, and myself. On Thursday,  
5 August 14, the three of us met at the Denver Airport  
6 to discuss research policies. We were informed the  
7 day before, and I think quite properly so, that as a  
8 standing subcommittee on research, we could not as a  
9 formal body -- as a subcommittee -- take substantive  
10 votes or deliberate in that sense because no public  
11 notice had been published in the Federal Register or  
12 in newspapers of wide circulation. So I wanted to  
13 mention at the outset that future deliberative  
14 meetings of the subcommittee will be noticed.

15           So today, the three of us come as  
16 individuals with a shared point of view on several  
17 issues, and after Carol Petrie makes her presentation  
18 regarding pathological gambling on behalf of the  
19 National Research Council -- that is scheduled this  
20 afternoon -- I think I and maybe Jim or John will have  
21 some comments to make in support of the research that  
22 would be undertaken.

1                   During two and a half hours last Thursday  
2 -- we met for five or six hours. During two and a  
3 half hours, we each had the opportunity to ask Carol  
4 Petrie about the National Research Council process and  
5 what useful information its work might reveal in 15  
6 months -- that work that was mandated in the language  
7 of the enabling statute. Each of us has confidence in  
8 the professional competence and objectivity of the  
9 NRC. I think each of us believes the synthesizing of  
10 all existing literature on pathological gambling will  
11 develop specific information that responsible  
12 government officials and the public in general can use  
13 in the ongoing debate of whether to initiate, expand,  
14 or limit legalized gambling in hundreds of communities  
15 across the country.

16                   I want to repeat something that has been  
17 said here before. The National Research Council does  
18 not do original research. So what we are talking  
19 about here is synthesizing all of the existing  
20 literature on what we are describing as pathological  
21 gambling. It has been described as disordered  
22 gambling, as seriously troubled gambling, and as

1 compulsive gambling. We are simply using the term  
2 pathological gambling.

3           The subcommittee on research will try to  
4 ascertain what gaps, if any, may exist in the  
5 literature on pathological gambling. As we have  
6 talked to different people in this field, some have  
7 asserted that there are some material gaps in the  
8 literature. We will try to define what those gaps are  
9 and we will report back to the full Commission to see  
10 whether you want to do anything to attempt to fill  
11 those gaps.

12           On another subject, the subcommittee on  
13 research has been discussing how the Commission would  
14 undertake research on the economic consequences or  
15 impact of all forms of legalized gambling. Here we  
16 find that only limited original research or  
17 independent research has been done. We hope to  
18 develop a definitive approach to how the subcommittee  
19 would try to form something to bring back to you  
20 within the next 45 days when we report to the Chair  
21 and to the Commission.

22           Finally and importantly, Mr. Wilhelm

1 prepared some very useful general research policy  
2 guidelines that Dr. Dobson and I had the opportunity  
3 to comment upon. That has been distributed to all of  
4 you and I think there are copies that are going to be  
5 put out for members of the public that might want to  
6 look at it.

7           In addition, Mr. Wilhelm and Dr. Dobson  
8 both contributed significantly to a compilation of the  
9 study questions. There were a few items added or  
10 included that other members of the Commission  
11 indicated they thought should be among the study  
12 questions. There will be additional areas for  
13 proposed research gleaned from this list for the  
14 subcommittee's discussion and ultimately the full  
15 Commission's discussion in the future. I think all  
16 three of us on the subcommittee feel that this list of  
17 study questions should be seen as a work in progress  
18 and it is now offered for your critique today and  
19 hereafter, and I think you ought to get into a  
20 discussion of these questions.

21           CHAIRPERSON JAMES: Leo, can I interrupt  
22 just for a minute to ask if all the Commissioners have



1 those questions in front of them?

2 COMMISSIONER MCCARTHY: They were  
3 distributed to everybody.

4                   CHAIRPERSON JAMES:  If their plate looks  
5   like mine, it is rather confusing up here.  I just  
6   want to give them a minute to find them.

7 COMMISSIONER MCCARTHY: Yes, right. Both  
8 of these statements -- as a matter of fact, the first  
9 one that I referred to, Mr. Wilhelm's general research  
10 policy guidelines that were only so slightly modified  
11 by Dr. Dobson and I --

12 CHAIRPERSON JAMES: There must be a story  
13 behind that, but that is okay.

14 COMMISSIONER MCCARTHY: Okay. They were  
15 tweaked. I think that is the end of the report, Madam  
16 Chair. And I think you wanted to get into a  
17 discussion of the study questions. I hope everybody  
18 has found that list. We have more copies if you  
19 haven't. That list is there before you.

20 CHAIRPERSON JAMES: Have those been made  
21 available to the public?

22 COMMISSIONER MCCARTHY: I asked staff to

1 make 100 copies of that so that members of the public  
2 could look at them. I don't know if they have been  
3 put out on a table where the public can --

4 CHAIRPERSON JAMES: As soon as I find out  
5 where they are, I will let you know. Okay. Dr.  
6 Dobson?

7 COMMISSIONER DOBSON: Madam Chairman, a  
8 couple of things jumped out at us in the course of  
9 these deliberations. The first was the hope that the  
10 NRC could identify by reviewing the literature --  
11 could identify the gaps in our understanding so that  
12 we could then decide whether or not we would pursue  
13 some kind of original research to fill those gaps.  
14 But it became very clear in the course of our  
15 discussions with Ms. Petrie that that was not going to  
16 be possible because there is no report to be expected  
17 from them for 15 months, which would be so late in the  
18 operation of this Commission that no research based on  
19 that will be possible.

20 Furthermore, obviously in two years and  
21 with limited money, we are going to have to select  
22 very carefully what we can study and do it effectively

1 and in a scientific manner. But the NRC is not going  
2 to be useful to us in identifying those areas of  
3 research.

4 CHAIRPERSON JAMES: Thank you.

5 COMMISSIONER MCCARTHY: I would finally  
6 make this comment. I think that we are going to need  
7 to actively search for additional research monies from  
8 any foundation we can -- Ford, Pew, or wherever it  
9 might be available. The subcommittee members  
10 discussed that and we think that extremely important.  
11 So we would welcome any guidance from members of the  
12 Commission that would lead us to some success in that  
13 area. Thanks.

14 CHAIRPERSON JAMES: Would you walk us  
15 through, Leo, the study questions -- just the general  
16 categories and what we can anticipate finding under  
17 each of those? And I would ask the Commissioners to  
18 look carefully as we go through that for any comments  
19 or input that you would like to give to the research  
20 subcommittee. And I would say to the public that I am  
21 told that these are available and that they are on a  
22 table outside so that you can follow the discussion.

1                   COMMISSIONER MCCARTHY: I would ask Dr.  
2 Dobson and Mr. Wilhelm to join in freely on this since  
3 they were the original source of most of the questions  
4 on here and their staff. I don't know if you wanted  
5 me to do more than read this. Perhaps we should give  
6 the members of the Commission a chance to glance  
7 through this and jot down question marks next to areas  
8 that they might be puzzled about.

9                   CHAIRPERSON JAMES: Dr. Dobson?

10                  COMMISSIONER DOBSON: If I may clarify at  
11 least from my perspective. This list represents the  
12 universe of interesting questions that might be  
13 studied. I don't think -- and I hope Leo that I am  
14 speaking for you and John -- I don't think that we  
15 think or are proposing that this Commission do all of  
16 this. But we are going to have to look at this and  
17 decide what is feasible with the time frame we have  
18 and the amount of money that we are allocated.  
19 Because we haven't seen even a budget yet. So it is  
20 difficult to say what we can do. But this is the  
21 scope of questions that we wish we had the information  
22 for.

1                   CHAIRPERSON JAMES:   John?

2                   COMMISSIONER WILHELM:   Yes, I agree with  
3   the comments by both Jim and Leo on this subject.   I  
4   want to emphasize, first of all, that as Leo said as  
5   the chair of the subcommittee, that we look upon both  
6   of these documents, but especially the study question  
7   recommendations as, as he said, a work in progress.  
8   And we are interested in the point of view of other  
9   Commissioners about this, either now or later.

10                  It is fair to say that in very broad terms  
11   the study questions related to economic impact are  
12   things that I was particularly focused upon given my  
13   own primary reason for having been appointed to the  
14   Commission.   And it is fair to say that Jim Dobson  
15   contributed a great deal of the material on problem  
16   gambling and on social impact.   I agree with Jim that  
17   there is -- there seems to be little or no possibility  
18   that the Commission could commission scientific  
19   research or obtain scientific research on all of these  
20   questions.   Even if it had an unlimited budget, it  
21   probably couldn't do that.   But certainly since it  
22   doesn't have an unlimited budget, it will have no

1 prayer of doing that. So I think that Jim is right in  
2 saying that -- in suggesting that the question of  
3 focusing in on which of these issues are going to be  
4 studied in depth, and in connection with that, how  
5 much money is available will be critical.

6           You had indicated at the first meeting of  
7 the Commission, Kay, that you were considering  
8 assigning a couple of the Commissioners to work on  
9 budget and I don't know what the status of that is.  
10 But clearly that is a concern. In addition, going  
11 back to Jim's first comment this morning, he is right  
12 that the National Research Council, which we are  
13 required by the law to use and which I think I share  
14 Leo's comments -- I think we were quite impressed with  
15 the presentation from the National Research Council.  
16 But nevertheless, Jim is right that they don't do  
17 original research. And he is also right that we were  
18 advised by the NRC representative that we met with,  
19 who will be here as well during this meeting, that  
20 they also don't give sort of progress reports along  
21 the way as they do their work.

22           That presents a very significant problem,

1 I think, for the Commission with respect to the area  
2 of research to which the NRC is assigned, namely the  
3 problem gambling or pathological gambling or whatever  
4 the right umbrella term is. Because given the  
5 apparent fact that the existing literature in that  
6 field has a great deal of holes in it -- and I don't  
7 consider myself an expert on this -- and given the  
8 apparent fact that original research in that area will  
9 be both very expensive, but more importantly I think  
10 for the Commission's purposes extremely time  
11 consuming, I think it is going to be very difficult  
12 for us to even identify in a way that we could agree  
13 upon what the so-called gaps are and secondly figure  
14 out how to commission original research on them. My  
15 guess is that as a practical matter, original research  
16 could not be decided upon, commissioned, and completed  
17 by the time the Commission is required by the law to  
18 make its report. As an example, we were told that a  
19 so-called prevalence study starting from scratch --  
20 and apparently there is no good prevalence study  
21 nationally -- would take several years in order to be  
22 done with appropriate scientific validity. So I think

1 Jim is right that the question of how much, if any,  
2 original research in the so-called gaps, even if we  
3 find a way to identify the so-called gaps, is an  
4 extremely difficult question.

5           Because of the reputation and the  
6 thoroughness of the NRC, the subcommittee, as Leo  
7 indicated, is farther along in its thinking with  
8 respect to that issue than it is on the economic  
9 impact issue. But again, the economic impact issue  
10 poses something of the same kind of problem, that is,  
11 at least at first pass it would appear to the  
12 subcommittee that original research is called for in  
13 a number of these things, and again, there is not only  
14 a dollar question and a question of identifying the  
15 appropriate projects, but more importantly a time  
16 question in terms of the Commission's two-year  
17 mandate.

18           A suggestion that I had made, which the  
19 subcommittee hasn't reached yet but which is contained  
20 in the document that I sent to you and to all the  
21 Commissioners, is to try to get hold of at least the  
22 economic part of the research by focusing on a few, I



1 use the term targeted areas -- but a few case studies  
2 that would, in my mind, be a cross-section of  
3 geographic areas that present one or several examples  
4 of the kind of gambling undertakings that we ought to  
5 be looking at. We ought to be looking at an area with  
6 heavy casino concentration. We ought to be looking  
7 at, as was indicated in the discussion this morning,  
8 various kinds of Native American gambling. We ought  
9 to be looking at so-called convenience gambling. We  
10 ought to be looking at lotteries. We ought to be  
11 looking at games run by lotteries like Keno. So I  
12 think maybe the way to get a hold of that is to try to  
13 pick out some targeted areas and to commission  
14 somebody that we can agree upon as being objective to  
15 make a scientific study of the impact of whatever  
16 forms of gambling may exist in a cross-section of  
17 areas of that kind.

18 But again, I think Jim is right. The  
19 question of how we get original scientific research  
20 done in the time frame that we have and in the budget  
21 that we probably will have to me is a daunting  
22 question.

1                   CHAIRPERSON JAMES: Let me just say one  
2 thing for clarification. I just happen to be one of  
3 those people that has the audacity to believe that a  
4 budget ought to be driven by policy as opposed to  
5 policy driven by budget. Therefore, I thought it was  
6 important for us to have this conversation about the  
7 scope of the research and look at what we really want  
8 to get done and hear a recommendation so that we can  
9 say, what would that cost? What would that mean?  
10 What kind of resources do we need to have available.  
11 And if those resources don't exist within the  
12 Commission money, to see if there is foundation money  
13 out there that is available to do that.

14                   And just, this is probably as appropriate  
15 time as any since you raised the question, John -- I  
16 have asked Richard if he would oversee the budget  
17 process and he can appoint any or get any assistance  
18 that he needs from any other Commissioner. It is at  
19 his discretion. And as a result of that, I would --  
20 while you may think that there is a great deal of  
21 leeway there, I assure you that there is not. By the  
22 time -- particularly when you look at -- and one of

1 the reasons it is difficult to finalize those kinds of  
2 things is we need to hear from the Commission on the  
3 workplan in terms of what -- how many sites we want to  
4 visit -- and all of that information needs to be  
5 gathered before Richard can sit down with the staff at  
6 the Commission and come back to you with a completed  
7 budget. So when those policy decisions are finished  
8 being made, then I think Richard will be in a position  
9 of coming back to the Commission with a final budget.

10           And we are going to have some tough  
11 choices to make. Are we going to have to give up five  
12 site visits in order to get some additional research  
13 done? Or are we going to have to -- so that is the  
14 kind of discussion that I am anticipating that we will  
15 have as we move along in the process. I am going to  
16 recognize John, and then come back to you, Jim.

17           COMMISSIONER WILHELM: Just -- I don't  
18 want to belabor this, but given the -- even aside from  
19 the money problem -- given the apparent fact that to  
20 do original scientific research in most of these  
21 areas, time is the real problem. And it may -- I  
22 don't want to be a pessimist so early. But it may

1 well be that the best the Commission can do in a  
2 number of these areas that do merit exploration is to  
3 determine the things that need to be studied and  
4 perhaps to figure out a way to begin the process of  
5 studying them, as opposed to kidding ourselves that by  
6 the time we write our report less than two years from  
7 now that that kind of research will have been  
8 completed. But I think, from what I can tell --  
9 certainly in the economic area, which I know better,  
10 and perhaps in the other area as well, even getting a  
11 start on real scientific research in these areas and  
12 making sure that it is happening would, itself, be a  
13 contribution.

14 CHAIRPERSON JAMES: Thank you. Jim?

15 COMMISSIONER DOBSON: One of the things we  
16 are going to need to do is decide what we mean by the  
17 term research, which can mean everything from  
18 scientifically designed longitudinal work that is  
19 extremely expensive and time consuming. To illustrate  
20 John's point, we had hoped in the early part of our  
21 deliberations the other day to have a national study  
22 of prevalence. Ms. Petrie told us that would cost \$15

1 million for that one question. There is also  
2 information gathering, which is sometimes called  
3 research. We might be able to do a lot more of the  
4 latter than the former as time goes on.

5 CHAIRPERSON JAMES: Good point.

6 COMMISSIONER BIBLE: When the subcommittee  
7 met, did they take this rather extensive list and  
8 divide it into various categories -- those categories  
9 that respond to the mandates of the law, those  
10 categories that are study areas that were not included  
11 within the law and then take that latter set category  
12 and divide it into areas of relative priority as to  
13 what the subcommittee --

14 COMMISSIONER MCCARTHY: We think all of  
15 the questions listed here --

16 CHAIRPERSON JAMES: Leo, would you --  
17 excuse me just a minute.

18 COMMISSIONER MCCARTHY: If I may respond.

19 CHAIRPERSON JAMES: Would you do that?

20 COMMISSIONER MCCARTHY: They respond to  
21 the mandate of the law.

22 CHAIRPERSON JAMES: Excuse me just a

1 minute, Leo. And I think it would also be very  
2 helpful to point out that beginning this process,  
3 every Commissioner was asked to submit their  
4 suggestions, ideas, and questions and feed them into  
5 this particular subcommittee. And as a result of  
6 that, you went on then to divide out your work. And  
7 if you could, for the benefit of the public and for  
8 those Commissioners who may not know, talk a little  
9 bit about the process that you used. That would be  
10 helpful.

11 COMMISSIONER MCCARTHY: We had in mind the  
12 mandates of the law when we were writing the  
13 questions. I think the three of us feel that the  
14 questions that are asked on here come within one or  
15 another portions of the charge of the enabling  
16 statute. That doesn't mean we have exhausted the  
17 list. That is why we tried to say that this is a work  
18 in progress.

19 I think this -- whereas I did phone every  
20 member of the Commission I could reach as soon as this  
21 subcommittee was created five or six weeks ago, this  
22 will now stimulate more thinking by members of the

1 Commission and by the public, I think. Whether we are  
2 omitting any significant areas that should really be  
3 included.

4           Again, I want to get back to what John  
5 Wilhelm said and Jim Dobson have said. The reality is  
6 that we are going to have to make some choices here  
7 and reduce this down. It may be that someone thinks  
8 criminal justice commission issues are the most  
9 important thing around. Others may think that  
10 economic impact is absolutely the most important issue  
11 for us to get into. We are going to have to weigh  
12 these things so that the subcommittee will come out  
13 with recommendations on them too.

14           COMMISSIONER WILHELM: Kay?

15           CHAIRPERSON JAMES: Yes, John.

16           COMMISSIONER WILHELM: As a follow-up to  
17 that comment, I at least, and I believe the other  
18 members of the subcommittee would be quite interested  
19 in the Commissioners' views either today or in the  
20 next couple of weeks about the relative priority of  
21 these various questions and also if -- I don't know if  
22 this was what you were suggesting Bill -- but if there

1 is a belief that some of these questions fall outside  
2 the charge in the law to the Commission, certainly  
3 that should be pointed out. Because the effort here,  
4 I think, was to cast a wide net in terms of an initial  
5 draft of questions. In the draft that I had  
6 submitted, there is a specific reference to the law  
7 after each of the questions. And that was the effort  
8 that I had made in the exhibit that I did. But  
9 certainly having cast a wide net here, we need to  
10 figure out as a Commission what the priorities are.  
11 Because as Leo and Jim have said, there is no prayer  
12 of looking at all of this.

13 CHAIRPERSON JAMES: Let me just make one  
14 point for clarification. We were talking about what  
15 the Commission was mandated to study. In the law it  
16 says at a minimum that should include, which doesn't  
17 mean that if the Commission so chooses, it cannot  
18 study things that are outside that purview.

19 COMMISSIONER BIBLE: Right, but you would  
20 have to study A to F, I would assume --

21 CHAIRPERSON JAMES: You would have to  
22 study what? I am sorry.



1                   COMMISSIONER BIBLE: A to F of the statute  
2 enumeration before you go to the next item.

3                   CHAIRPERSON JAMES: Well, I think that is  
4 up to the research -- at a minimum, that is what we  
5 need to do. We certainly cover that. And I think  
6 that should guide our decision making process. If you  
7 have an entire plate of things that you could look at,  
8 at a minimum we must do what the law requires but we  
9 are not mandated to stick solely to what is in the  
10 legislation.

11                  COMMISSIONER BIBLE: I understand that.

12                  CHAIRPERSON JAMES: Leo, if you could  
13 continue going through that, that would be -- if there  
14 are any other questions on any subject.

15                  COMMISSIONER MCCARTHY: Well, I found the  
16 general attitudes of the three members of the  
17 subcommittee -- getting that out and stimulating that  
18 as being very fruitful. Let me suggest, Madam Chair,  
19 if I may, that now that the members have had an  
20 opportunity to glance at this, if they have some  
21 specific remarks they would like to make about the way  
22 any of these questions are framed, give us their

1 thoughts on them. Or after today -- not now, because  
2 they were just given this a few minutes ago.

3 CHAIRPERSON JAMES: Certainly. Mr. Leone?

4 COMMISSIONER LEONE: Let me raise a  
5 question. At a risk of complicating the discussion,  
6 since we talked and since I got a notion of the way  
7 the process would work for the National Research  
8 Council, I have had a kernel of concern growing  
9 because in a rationale world -- of course, Congress  
10 might have done this itself -- we would start with the  
11 baseline of what do we know and how good is the  
12 information and what does that tell us about what we  
13 need to know in order to make informed judgments. And  
14 it is perfectly rationale to take a -- I mean, if you  
15 take budget A, which is the money we know we have,  
16 versus some money we might hope to have -- take a very  
17 substantial portion of that and allocate it to finding  
18 the answers as far as possible with a reliable group  
19 searching for the answers. On the other hand, that  
20 group will not tell us anything for a long time and we  
21 will be operating in many respects somewhat in the  
22 dark. And I began to think about a process which is

1 -- this is not the only inquiry of this type where  
2 there is a real limit on -- where you have to back  
3 into policy, Kay, as much as it is more rationale to  
4 go the other way around and say these are our  
5 priorities and therefore we will start spending money  
6 on A and spend what is left on B and what is left on  
7 C. We might at least want to think about whether we  
8 are making a choice that I would put starkly this way.  
9 If we are spending a lot of money for information,  
10 relatively speaking, that will only be available to us  
11 at the tail-end and will tell us what is known and  
12 what isn't known and how a group of experts feel --  
13 how comfortable they are with the information, and I  
14 am oversimplifying, we might also want to start a  
15 process that involves putting in place a panel to  
16 advise us or to talk to us about this and to be a  
17 sounding board for our own research staff. As a  
18 minimum, one would expect that six months down the  
19 road or a year down the road our research staff, with  
20 the right people, would become a set of people who are  
21 pretty savvy about what kind of information is out  
22 there and how good it is and what sort of problems you

1 run into. And we might even be able to engage -- I  
2 have been able to do this in other contexts -- panels  
3 of people to come in and tell us what they think is  
4 known or unknown, and get that information directly to  
5 at least the subcommittee and maybe occasionally to  
6 the whole Commission where it is appropriate. Because  
7 I am deeply troubled by the notion that -- and I  
8 understand -- if I were running the study, I wouldn't  
9 want, particularly in such a public forum, to have  
10 dribs and drabs come out along the way. But that  
11 means we are groping in the dark for almost the whole  
12 length of this process and maybe there is information  
13 that is available on an interim basis or a judgment on  
14 an interim basis that would help us a lot in deciding  
15 where we ought to go.

16           There are some questions in the area of  
17 economics, which is my field, that I am really curious  
18 about. Not just bankruptcies but savings rates and a  
19 variety of other things and I wonder what is known  
20 about that. I have been chatting informally with  
21 economists I know about what kind of research is  
22 available, even in parallel areas where some new

1 service -- entertainment service or the communications  
2 industry is a good example because there is a rapid  
3 proliferation of things you can buy in the last 20  
4 years, everything from videos to cable television to  
5 home satellite dishes. What do we know about where  
6 that money comes from and what it means about the  
7 extra, disposable dollar?

8                   Anyway, I would just say that we should --  
9 as important as it is to get started, I hope we get  
10 started in a way that it helps us to inform the  
11 process as we go along, rather than simply at the end  
12 to have available reports that we will be trying to  
13 digest and we can make available.

14                   CHAIRPERSON JAMES: Richard, I couldn't  
15 agree more. And it seem to me that as we have the  
16 discussion tomorrow on our workplan, one of the things  
17 that will be important for us to consider is putting  
18 together not a panel of experts but several panels of  
19 experts on different subject matters that they will be  
20 presenting as we go throughout our two-year time  
21 together, giving us the benefit of that information  
22 and having those kinds of discussions. So I am

1 hopeful that we will have that on an ongoing basis.

2 Dr. Dobson?

3 COMMISSIONER DOBSON: Madam Chairman, I  
4 agree thoroughly with what you just said and what  
5 Richard said as I understood it. Because the whole  
6 issue of research is a narrow area for those who spend  
7 their lives in it. The academic community specializes  
8 in subjects that they study, and those people are out  
9 there who know this field. We have got all these  
10 questions. How are we going to sort this out? We  
11 don't know what is already there. Some of these  
12 questions may have been answered and some of them  
13 obviously are not. We need that kind of expertise to  
14 come in.

15 Now the NRC it does not seem to me is  
16 going to give us that kind of information because they  
17 are studying one area of pathological gambling and  
18 they are going to wait 15 months to tell us anything.  
19 They don't issue preliminary reports. So I would think  
20 that a savvy staff member, Richard, as you describe  
21 him or here, who could interface with the academic  
22 community and tell us what is known and guide us as to

1    which of these we ought to put our emphasis on would  
2    be helpful.  The first Commission, as I heard in the  
3    last meeting, narrowed it down to six questions that  
4    they were trying to answer.  Somebody is going to have  
5    to help us get from three pages down to a bite size  
6    that we can get a hold of.

7               COMMISSIONER MCCARTHY:  That's your job,  
8    Solomon.

9               COMMISSIONER DOBSON:  Bring the knife.

10              CHAIRPERSON JAMES:  John?

11              COMMISSIONER WILHELM:  Just for further  
12    clarification in response to Bill's point a few  
13    minutes ago.  The study question recommendations are  
14    -- the attempt was to organize them along the same  
15    lines as Section 4(a)(2) of the Act establishing the  
16    Commission.  That is the subsection titled "Matters to  
17    be Studied", and it has A through F.  The sections of  
18    the study question recommendations A through F were  
19    designed by the drafters to correspond with A through  
20    F in Section 4(a)(2).  That may be of some help to the  
21    Commissioners in determining whether in their judgment  
22    these questions go beyond the minimum things that we

1 are supposed to be studying. I think it would be very  
2 -- you are correct, Kay, in pointing out that the law  
3 says that we look at these things at a minimum.  
4 However, since the likelihood of being able to analyze  
5 A through F in depth seems to me to be slim, it seems  
6 to me to be ambitious, though technically we could, to  
7 go beyond those minimum questions. But at any rate,  
8 for the guidance of the Commissioners in trying to  
9 look at this, the A through F in the study question  
10 recommendations was designed to correspond with A  
11 through F in Section 4(a)(2) of the Act.

12 CHAIRPERSON JAMES: And it does. Terry?

13 COMMISSIONER LANNI: Madam Chair, not on  
14 a substantive matter relative to the comments made by  
15 the three individual Commissioners, I think they are  
16 sound and logical and thoughtful. I still would like  
17 the record to note that we have yet to define the  
18 rules for creating committees. I find it intriguing  
19 that this is called a subcommittee. I wonder what it  
20 is a subcommittee of. Is it a subcommittee of a  
21 committee? And if so, what is that committee and what  
22 is the make-up of that committee.



1                   So that matter, according to your  
2   schedule, is not to be considered until tomorrow. I  
3   would like the record to reflect that -- again, not in  
4   substance. I think the approach of these three  
5   individuals is logical, sound, and clear. The  
6   composition of the individuals into a group is nothing  
7   that I object to. I object to the fact that we have  
8   not had a chance to consider the rules for definition  
9   of creation of committees, subcommittees, and the  
10   make-up of those, which we have or some people have  
11   made -- I have made some suggestions on rules. I  
12   think Dr. Dobson has as has at least one other  
13   individual.

14                   CHAIRPERSON JAMES: Correct.

15                   COMMISSIONER LANNI: So I would like the  
16   record to so-note that.

17                   CHAIRPERSON JAMES: Duly noted.

18                   COMMISSIONER MCCARTHY: May I add that I  
19   agree. We should be called a full committee and have  
20   the --

21                   COMMISSIONER LANNI: Once the rules are  
22   adopted, I would support that.

1                   COMMISSIONER MCCARTHY: We would feel  
2 fuller about it. In any event, there have been a  
3 couple of critical points raised about budget here.  
4 There is no question that this is a tough task. I  
5 think some of the research studies that we ultimately  
6 authorize will get periodic reports in. We will hear  
7 from Carol Petrie this afternoon on the NRC process.  
8 But I don't want to leave a misimpression here. I am  
9 the one that originally raised the discussion about  
10 possible gaps in the literature on pathological  
11 gambling with my two colleagues on the subcommittee.  
12 I think that you will get a chance to hear in the  
13 testimony this afternoon that there will be a lot of  
14 valuable information at the end of the 15-month  
15 period. There is a lot of literature. There has been  
16 a lot of writing on this. We simply, as a cautionary  
17 thing, are trying to point out to the rest of the  
18 members of the Commission that there are some gaps.

19                   The greater problem is going to be in the  
20 economic development/economic impact area, where  
21 apparently there is less literature -- scientific,  
22 objective literature -- than there is in the

1 pathological gambling area. That is going to be a  
2 tough problem for us to tussle with, but it is one of  
3 the most important areas, I think most Commissioners  
4 would agree.

5               So I want to stress that I believe a lot  
6 of valuable information will be gleaned from the  
7 synthesis of existing research on pathological  
8 gambling that the National Research Council will  
9 undertake. And I think most of you, if not all of  
10 you, are going to be impressed with that after we hear  
11 the presentation this afternoon.

12              CHAIRPERSON JAMES: That is great. John?

13              COMMISSIONER WILHELM: Yes, and I would  
14 particularly urge the Commissioners to try, as I have  
15 tried, to understand what the NRC means by this  
16 process of synthesizing the literature. It is  
17 intended, as I understand it, to be a great deal more  
18 than simply making a catalog. It is intended to  
19 inform about what is out there, the scientific  
20 soundness or lack thereof of what is out there, what  
21 one can reasonably conclude, not just from each piece  
22 of work but from juxtaposing and combining the work

1 that is there and also what is missing. So I don't  
2 think we ought to think that in 15 months we are going  
3 to get some kind of bibliography. I think the  
4 presentation this afternoon will emphasize that it is  
5 a great deal more than that.

6 CHAIRPERSON JAMES: Thank you. Let me  
7 suggest a process at this point that I think may be  
8 helpful. If each of the Commissioners would take the  
9 time in the next few days to go through the general  
10 research considerations and the policies and practices  
11 and look at the questions under each category. Bill,  
12 I think you are absolutely correct. While there are  
13 no mandates in the legislation, we have been told at  
14 a minimum we must look at a few things. Getting even  
15 that job done is going to be difficult. And, Jim, I  
16 think you are correct in stating that the previous  
17 commission was able to boil down their research agenda  
18 to six main questions and we certainly have got to do  
19 some culling and honing at this point in order to  
20 focus where we are going with this research agenda.

21 So I would like to task each of the  
22 Commissioners to send their comments to Leo. And,

1 Leo, if you could get back to us by way of mail just  
2 where you are in the process and let us see how you  
3 were able to hone that down. Unfortunately, given to  
4 -- for a lot of reasons, not the least of which are  
5 budgetary constraints and schedules of Commissioners,  
6 we are going to have to necessarily communicate that  
7 way at some points in order to move this process along  
8 rather than waiting for the next set of meetings.

9 But I do want to thank each of the members  
10 for the work that they have done thus far and to ask  
11 each of us to at this point do our part to help move  
12 that process along. Terry?

13 COMMISSIONER LANNI: Madam Chair, I had a  
14 question. You had indicated to Leo that he should get  
15 back to us. Could you define us?

16 CHAIRPERSON JAMES: The Commission.

17 COMMISSIONER LANNI: Thank you.

18 COMMISSIONER BIBLE: So you see a meeting  
19 then to formalize the research project with the full  
20 Commission?

21 CHAIRPERSON JAMES: Well, if in fact that  
22 cannot be done by mail and we have to delay it or by

1    what other process we deem we can set up with  
2    electronics as they exist today, then it will have to  
3    wait for the next Commission meeting. I am hopeful  
4    that we don't have to wait that long to confirm that  
5    process.

6                   COMMISSIONER BIBLE: Can we meet  
7    electronically or poll or do things of that nature?

8                   CHAIRPERSON JAMES: I think that we can.

9                   COMMISSIONER BIBLE: It is a gamble.

10                  CHAIRPERSON JAMES: It is what? What did  
11   he say? It is a gamble. I think that when we have  
12   our briefing and we go over some of the administrative  
13   issues on FACA, we can deal with that question at that  
14   time.

15                  COMMISSIONER DOBSON: Madam Chair?

16                  CHAIRPERSON JAMES: Yes.

17                  COMMISSIONER DOBSON: The chairman of our  
18   committee, Leo, has really done an outstanding job to  
19   this point and I want to commend him and ask a  
20   question of you, Leo, as to whether you feel heavy  
21   responsibility going through these questions and  
22   trying to decide what to recommend to the rest of the

1 Commission without research consultation or without  
2 some experts to assist us. That is a weighty  
3 responsibility and it is based on information that I  
4 don't have.

5           COMMISSIONER MCCARTHY: I want to agree.  
6 As brilliant as the three of us are, I think we need  
7 some help. I am hopeful that the commission will soon  
8 employ not only an executive director, and I know that  
9 is diligently being pursued, but a research director  
10 as well. There will be someone who tries to help  
11 within the structure of the Commission, I am sure, on  
12 research, but I am talking about someone who will help  
13 us -- work with us to define the areas of research --  
14 that would work with the three members of the  
15 subcommittee and the chairperson and the gentleman on  
16 the Commission here who is going to make weighty  
17 decisions on budget. And then appear before the full  
18 Commission to try to scope this. My only other  
19 specific notion at this point is to expeditiously as  
20 we can move forward on the economic impact section of  
21 the research. But if two other members of the  
22 committee/subcommittee suggest that studying the rise

1 of crime or no rise of crime in connection with  
2 gambling is more important, then that is what we will  
3 bring back to the Commission itself. But I hope that  
4 by the next Commission meeting, we will have an  
5 overview of all of the other areas of research. I  
6 wanted to signal ahead of time that economic impact  
7 would be the most important area in my view that we  
8 ought to be proceeding with.

9               CHAIRPERSON JAMES: Thank you. And again,  
10 I want to thank that committee for the work that they  
11 have done and I would not attach too much significance  
12 to the title that they were given. I realize that it  
13 is a term of art and may carry some significance, but  
14 we had to call them something. But we do appreciate  
15 the work that they have been done. We could call them  
16 worse.

17               I just had a couple of administrative  
18 matters and then I want to turn to the questions that  
19 were raised earlier by Mr. Loescher. Just to give you  
20 an update on a few things. One, I had mentioned  
21 earlier that the Commission does have offices now and  
22 it is at 800 North Capitol Street. Particularly for